

CITY OF CHENEY, KANSAS

FINANCIAL STATEMENT

WITH

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED DECEMBER 31, 2018

GBN, P.A.

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Cheney, Kansas

Report on the Financial Statement

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of the City of Cheney, Kansas, a Municipal Financial Reporting Entity, as of and for the year ended December 31, 2018 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit and Accounting Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Cheney, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Cheney, Kansas as of December 31, 2018, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the City of Cheney, Kansas as of December 31, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures—actual and budget, individual fund schedules of regulatory basis receipts and expenditures—actual and budget, summary schedule of regulatory basis receipts and disbursements—agency funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Cheney, Kansas as of and for the year ended December 31, 2017 (not presented herein), and have issued our report thereon dated September 12, 2018, which contained an unmodified opinion on the basic financial statement. The 2017 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2017 actual column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2018 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2017, on the basis of accounting described in Note 1.

GBM, P.A.

Wichita, Kansas
April 6, 2020

CITY OF CHENEY, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS

For the year ended December 31, 2018

	Beginning Unencumbered Cash Balance (Deficit)	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance (Deficit)	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance (Deficit)
General Fund	\$ 835,404	\$ -	\$ 2,375,829	\$ 2,437,121	\$ 774,112	\$ 167,324	\$ 941,436
Special Purpose Funds:							
Library	868	-	68,766	68,208	1,426	-	1,426
Gifts and Memorials	13,067	-	19,733	11,477	21,323	-	21,323
Digital Sign	2,755	-	380	87	3,048	-	3,048
DARE Program	2,668	-	3,047	3,834	1,881	-	1,881
Joint Fire	59,766	-	20,927	22,189	58,504	-	58,504
LWCF Grant	(19,490) #	-	33,329	30,404	(16,365) #	-	(16,365)
Waste Tire Playground Grant	-	-	-	-	-	-	-
CDBG Albers Development	-	-	4,250	4,250	-	-	-
Bond and Interest Funds:							
Bond and Interest	91,724	-	191,454	173,592	109,586	-	109,586
Capital Project Funds:							
Northridge Estates Water Improvement Project	(8,338) *	-	1,582	-	(6,756) *	-	(6,756)
Capital Improvement Reserve	170,794	-	307,435	37,091	441,138	-	441,138
Capital Equipment Reserve	73,948	-	70,461	-	144,409	-	144,409
Capital Equipment Police Reserve	6,459	-	6,038	7,567	4,930	-	4,930
Capital Equipment Fire Reserve	146,259	-	60,613	99,626	107,246	-	107,246
KDHE Sewer Project	-	-	-	-	-	-	-
Business Funds:							
Water Utility	305,356	-	386,233	348,959	342,630	-	342,630
Sewer Utility	338,569	-	365,837	376,267	328,139	-	328,139
Gas Utility	105,830	-	587,510	586,465	106,875	55,765	162,640
Storm Water Utility	-	-	-	-	-	-	-
Water Maintenance Reserve	185,119	-	41,417	104,324	122,212	14,728	136,940
Sewer Maintenance Reserve	202,215	-	41,548	73,704	170,059	14,728	184,787
Gas Maintenance Reserve	291,373	-	22,230	116,788	196,815	29,455	226,270
Total Primary Government (excluding agency funds)	2,804,346	-	4,608,819	4,501,953	2,911,212	282,000	3,193,212
Related Municipal Entities:							
Cheney Public Library	78,305	-	96,383	86,144	88,544	-	88,544
Cheney Public Building Commission	-	-	57,613	57,613	-	-	-
Total Reporting Entity (excluding agency funds)	\$ 2,882,651	\$ -	\$ 4,762,815	\$ 4,645,710	\$ 2,999,756	\$ 282,000	\$ 3,281,756

CITY OF CHENEY, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS

For the year ended December 31, 2018

* – Per K.S.A. 10-1116, the limits of indebtedness may be exceeded when provision has been made for payment by the issuance of bonds or temporary notes.
– Per K.S.A. 12-1664, the limits of indebtedness may be exceeded up to 100% of the accrued revenue for intergovernmental grants.

Composition of Cash:	
Primary Government:	
The Citizens State Bank, Cheney, Kansas:	
General checking now account	\$ 328,857
General checking – Fireman account	58,505
Money market account	1,388,403
Checking account – General	500
Checking account – Cherry Oaks Golf Course	2,000
Certificates of deposit	1,453,745
Cash on hand	70
Total Primary Government	3,232,080
Less Agency Funds	(38,868)
Total Primary Government (excluding agency funds)	3,193,212
Related Municipal Entities:	
Cheney Public Library:	
The Citizens State Bank, Cheney, Kansas	75,550
Money market account	12,994
Certificate of deposit	
Total Cheney Public Library	88,544
Total Reporting Entity (excluding agency funds)	\$ 3,281,756

The accompanying notes are an integral part of the financial statement.

CITY OF CHENEY, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Municipal Financial Reporting Entity

The City of Cheney, Kansas is incorporated under the laws of the State of Kansas. The City operates under a Mayor-Council form of City government consisting of an elected Mayor and five council persons and provides services to the citizens in the areas of highways and streets, water service, wastewater treatment, gas service, public improvement, public safety, planning and zoning, recreation, and general administrative services. The City has the following related municipal entities shown on Schedule 3.

Cheney Public Library. A seven-member board appointed by the Mayor with approval by the City Council governs the Cheney Public Library Board. The Cheney Public Library Board operates the public library in the City. The Library Board may not purchase or lease a site or erect a building for use of the library without the approval of the City Council. The Library Board taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. These taxes are accounted for in the Library special purpose fund of the City. The Library Board also receives funding through state assistance programs and donations from the public. The Cheney Public Library does not issue separate audited financial statements.

Cheney Public Building Commission. A five-member board appointed by the City Council governs the Cheney Public Building Commission. Although it is legally separate from the City, the Cheney Public Building Commission is reported as a related municipal entity because its sole purpose is to finance and construct the City's public buildings.

Regulatory Basis Fund Types

The accounts of the City are organized and operated on the basis of funds, each of which is defined as an accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations.

In accordance with state statutes, several different types of funds and account groups are used to record the City's financial transactions. For financial reporting, they have been grouped and are presented in this report as follows:

General Fund – The General Fund is used to account for and report all financial resources not accounted for in another fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Special Purpose Funds – used to account for and report the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

Bond and Interest Fund – used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest on long-term general obligation debt of governmental funds.

Capital Projects Fund – used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Business Funds – used to account for operations where it is the stated intent that costs of providing that service to the general public on a continuing basis be financed or recovered primarily through user charges.

Agency funds – used to account for assets held by the City as an agent for individuals, private organizations and other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Regulatory basis of accounting and departure from accounting principles generally accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenue and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A.75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Budgetary principles

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless exempted by specific statute), bond and interest fund and business funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. This process requires a notice of public hearing to amend the budget to be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for 2018.

Kansas statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, utility reserve funds and the following special purpose funds:

Gifts and Memorials Fund
Dare Program Fund
LWCF Grant Fund
CDBG Albers Development

Digital Sign Fund
Joint Fire Fund
Waste Tire Playground Fund

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated absences

The City's policies regarding vacation pay permits all full-time employees, beginning with the date of employment, to earn one day of vacation per month worked and after fifteen or more years of service employees earn one and one half days per month worked. Part-time employees who work at least 20 hours or more per week earn four hours for each month of employment. No paid vacation leave may be taken in the first six months of employment.

Employees may carry over into a new fiscal year a maximum of 20 days of vacation time unless a special agreement has been reached with the Department Head, City Administrator and the City Council. Upon termination of employment with the City, an employee shall be compensated for all earned but unused vacation leave at their final rate of pay.

All full-time employees earn eight hours of sick leave for each full month of service. Part-time employees who work at least 20 hours or more per week earn four hours of sick leave for each month of employment. Policies allow for a maximum accumulation of 720 hours of sick leave. At termination of employment with the City all unused sick leave is forfeited. The liabilities for accrued compensated absences are based on current salary costs and the vested portion of accumulated benefits.

Pension plan

All full-time employees are members of the State of Kansas Public Employees' Retirement System (KPERs), which is a cost sharing multi-employer statewide pension plan. The City's policy is to fund all pension costs as accrued; such costs to be funded are determined annually by the system's actuary.

Concentration of credit risk

The City routinely grants credit to utility customers, in accordance with applicable utility rate ordinances, all of which are located within the environs of the City. The City does not require security deposits for the credit granted to all utility customers however, tap fees or hook-up charges are assessed by the City when the utility service is provided.

Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Subsequent Events

Subsequent events have been evaluated through April 6, 2020, which is the date the financial statements were available to be issued.

2. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories, which may be used by governmental entities in Kansas. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of Federal Depository Insurance Corporation coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Deposits and investments include amounts in demand deposit, money market, savings and certificate of deposit accounts. Deposits are reported at carrying amounts, which approximate fair value. Cash balances in all funds are considered in determining the amount to be invested and, unless specifically designated, investment income is generally apportioned to the various funds in the ratio of invested balances.

Concentration of credit risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the state of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2018.

At year-end, the carrying amount of the City's deposits was \$3,232,010, with the bank balances of such accounts being \$3,384,025. Of the bank balances, \$311,229 was covered by federal depository insurance and the remaining balance of \$3,072,796 was covered by collateral held by the City's custodial banks in joint custody in the name of the City and its banks. The fair value of those pledged securities held by the City's custodial investment agencies was \$3,619,672 at December 31, 2018.

2. DEPOSITS AND INVESTMENTS (continued)

The Cheney Public Library (Library) cash and investments at December 31, 2018 consisted of money market and savings accounts and certificates of deposit. At year-end, the carrying amount of the Library's deposits was \$88,544 with the bank balances of such accounts being \$88,544. The bank balances were entirely secured by FDIC insurance at December 31, 2018.

3. PENSION PLAN

Plan description

The City participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing multiple employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in the Comprehensive Annual Financial Report that can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Funding policy

K.S.A. 74-4919 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for Death and Disability Program) and the statutory contribution rate was 8.39% for the fiscal year ended December 31, 2018. The City's contributions to KPERS for the years ending December 31, 2018 and 2017 were \$83,683 and \$79,300, respectively.

3. PENSION PLAN (continued)

Net Pension Liability

At December 31, 2018, the City's proportionate share of the collective net pension liability reported by KPERS was \$715,697. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in the financial statement.

4. LONG-TERM DEBT

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2018:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Refunding Bonds, Series 2011	1.875-2.25	12-15-11	\$ 700,000	11-01-18	\$ 80,000	\$ -	\$ 80,000	\$ -	\$ 1,800
General Obligation Refunding Bonds, Series 2014	2.00-3.50	02-27-14	1,555,000	09-01-26	1,060,000	-	160,000	900,000	30,425
Public Building Commission Refunding Revenue Bonds Series 2011	2.00-3.625	12-15-11	575,000	10-01-24	380,000	-	45,000	335,000	12,613
Capital Lease Obligation - Land	4.00	11-15-14	112,950	11-15-19	47,879	-	23,466	24,413	1,683
Capital Lease Obligation - Golf Carts	3.40	10-21-16	131,628	10-15-20	101,467	-	32,525	68,942	6,205
Note Payable to Kansas Department Of Health and Environment	3.79	10-08-08	601,494	08-01-29	396,013	-	26,620	369,393	14,759
Note Payable to Kansas Department Of Health and Environment	2.41	09-01-16	454,937	03-01-36	421,241	-	18,314	402,927	10,042
Note Payable to Kansas Department Of Commerce	-	05-15-16	71,797	05-10-28	-	71,797	3,590	68,207	-
Total contractual indebtedness					2,486,600	71,797	389,515	2,168,882	77,527
Compensated absences					63,865	36,640	39,955	60,550	-
Total long-term debt					<u>\$2,550,465</u>	<u>\$ 108,437</u>	<u>\$ 429,470</u>	<u>\$ 2,229,432</u>	<u>\$ 77,527</u>

4. LONG-TERM DEBT (continued)

General obligation bonds

General obligation bonds payable consist of serial and term bonds to be retired through calendar year 2026. Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 155,000	\$ 27,225	\$ 182,225
2020	150,000	24,125	174,125
2021	155,000	19,625	174,625
2022	85,000	14,975	99,975
2023	85,000	12,212	97,212
2024	85,000	9,450	94,450
2025	90,000	6,475	96,475
2026	<u>95,000</u>	<u>3,325</u>	<u>98,325</u>
	<u>\$ 900,000</u>	<u>\$ 117,412</u>	<u>\$ 1,017,412</u>

During 2011, the City issued General Obligation Refunding Bonds, Series 2011 in the principal amount of \$700,000. Proceeds from the issue were used to retire the outstanding bonds remaining from the General Obligation Refunding and Improvement Bonds, Series A, 2003. The General Obligation Refunding Bonds, Series 2011, maturing in years 2018 and thereafter, may be called for redemption and payment prior to their stated maturity date on November 1, 2017, and thereafter as a whole or in part at any time, at the redemption price of 100%, plus accrued interest thereon to the redemption date.

During, 2014 the City issued General Obligation Refunding Bonds, Series 2014 in the amount of \$1,555,000 to refund the City's General Obligation Bonds, Series 2004, General Obligation Bonds, Series A 2006 and Kansas Department of Health and Environment wastewater system loan. The General Obligation Refunding Bonds, Series 2014, maturing in years 2022 and thereafter, may be called for redemption and payment prior to their stated maturity date on September 1, 2021, and thereafter as a whole or in part at any time, at the redemption price of 100%, plus accrued interest thereon to the redemption date.

The term bonds with stated maturities of November 1, 2016 and 2018 and September 1, 2023 and 2026 are subject to mandatory redemption and payment prior to stated their maturity date at a redemption price equal to 100% of the principal amount thereon plus accrued interest to the redemption date.

4. LONG-TERM DEBT (continued)

Public Building Commission revenue bonds

Public Building Commission revenue bonds consist of serial bonds to be retired October 1, 2013 through calendar year 2015 and term bonds of \$125,000, \$105,000 and \$230,000 due October 1, 2018, 2020 and 2024, respectively. At December 31, 2018 the revenue bonds consist of the following:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 55,000	\$ 11,488	\$ 66,488
2020	50,000	9,837	59,837
2021	55,000	8,337	63,337
2022	55,000	6,344	61,344
2023	60,000	4,350	64,350
2024	<u>60,000</u>	<u>2,175</u>	<u>62,175</u>
	<u>\$ 335,000</u>	<u>\$ 42,531</u>	<u>\$ 377,531</u>

During 2011, the City issued City of Cheney, Kansas Public Building Commission Refunding Revenue Bonds, Series 2011 in the principal amount of \$575,000. Proceeds from the issue were used to advance refund \$530,000 of the outstanding bonds remaining from the City of Cheney, Kansas Public Building Commission Revenue Bonds, Series 2004.

The City of Cheney, Kansas Public Building Commission Refunding Revenue Bonds, Series 2011, maturing in the years 2020 and thereafter may be called for redemption and payment prior to their stated maturity date on October 1, 2019, and thereafter as a whole or in part at any time, at the redemption price of 100%, plus accrued interest thereon to the redemption date.

The term bonds with stated maturities of October 1, 2018, 2020 and 2024 are subject to mandatory redemption and payment prior to their stated maturity date at a redemption price equal to 100% of the principal amount thereon plus accrued interest to the redemption date.

Capital lease obligations

Capital lease obligations will be retired through calendar year 2020. At December 31, 2018 the capital leases consist of the following:

4. LONG-TERM DEBT (continued)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 58,029	\$ 5,850	\$ 63,879
2020	<u>35,326</u>	<u>3,403</u>	<u>38,729</u>
Total	<u>\$ 93,355</u>	<u>\$ 9,253</u>	<u>\$ 102,608</u>

During 2016, the City Council entered into a lease agreement for golf carts. The golf carts lease agreement provides for annual payments of \$38,730 including interest through May 2020.

During 2014, the City Council entered into a lease agreement for the purchase of land. The lease agreement provides for annual payments of \$25,149 including interest through November 2019.

Water system revolving loan note payable

During 2008, the City entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) for water system improvements in the City. At December 31, 2017, the outstanding loan balance was \$396,013. The loan agreement provides for semiannual payments in the amount of \$20,689, including interest at 3.79%. The debt service requirements of the note payable to KDHE are being serviced through user fees generated by the Water Utility Fund.

The revolving loan will be retired through calendar year 2029. At December 31, 2018 the note consisted of the following:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 27,638	\$ 13,741	\$ 41,379
2020	28,696	12,683	41,379
2021	29,794	11,585	41,379
2022	30,933	10,446	41,379
2023	32,117	9,262	41,379
2024	33,346	8,033	41,379
2025	34,621	6,758	41,379
2026	35,946	5,433	41,379
2027	37,321	4,058	41,379
2028	38,749	2,630	41,379
2029	<u>40,232</u>	<u>1,147</u>	<u>41,379</u>
	<u>\$ 369,393</u>	<u>\$ 85,776</u>	<u>\$ 455,169</u>

4. LONG-TERM DEBT (continued)

Sewer system revolving loan note payable

During 2016, the City entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) for sewer system improvements in the City. At December 31, 2017, the outstanding loan balance was \$421,241. The loan agreement provides for semiannual payments in the amount of \$14,178, including interest at 2.41%. The debt service requirements of the note payable to KDHE are being serviced through user fees generated by the Sewer Utility Fund.

The revolving loan will be retired through calendar year 2036. At December 31, 2018 the note consisted of the following:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 18,758	\$ 9,598	\$ 28,356
2020	19,213	9,143	28,356
2021	19,679	8,677	28,356
2022	20,156	8,200	28,356
2023	20,645	7,711	28,356
2024	21,145	7,211	28,356
2025	21,658	6,698	28,356
2026	22,183	6,173	28,356
2027	22,721	5,635	28,356
2028	23,272	5,084	28,356
2029	23,836	4,520	28,356
2030	24,413	3,943	28,356
2031	25,005	3,351	28,356
2032	25,612	2,744	28,356
2033	26,233	2,123	28,356
2034	26,869	1,487	28,356
2035	27,520	836	28,356
2036	<u>14,009</u>	<u>169</u>	<u>14,178</u>
	<u>\$ 402,927</u>	<u>\$ 93,303</u>	<u>\$ 496,230</u>

Sewer system note payable

In July 2015, the City entered into an agreement with a local developer to share in the cost of engineering and construction of certain sewer system improvements. In May of 2016, the City was awarded a Community Development Block Grant for a portion of the cost of the improvement with the remaining cost funded by loan proceeds from the Kansas Department of Commerce. At December 31, 2018, the outstanding loan balance was \$68,207. The loan agreement provides for semiannual payments in the amount of \$3,590. The debt service requirements of the note payable are being serviced through user fees generated by the Sewer Utility Fund.

4. LONG-TERM DEBT (continued)

The revolving loan will be retired through calendar year 2028. At December 31, 2018 the note consisted of the following:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 7,180	\$ —	\$ 7,180
2020	7,180	—	7,180
2021	7,180	—	7,180
2022	7,180	—	7,180
2023	7,180	—	7,180
2024	7,180	—	7,180
2025	7,180	—	7,180
2026	7,180	—	7,180
2027	7,180	—	7,180
2028	<u>3,587</u>	<u>—</u>	<u>3,587</u>
	<u>\$ 68,207</u>	<u>\$ —</u>	<u>\$ 68,207</u>

5. CAPITAL PROJECT AUTHORIZATIONS

At December 31, 2018 capital project authorizations compared with project expenditures from inception are as follows:

	<u>Project authorizations</u>	<u>Expenditures project inception to December 31, 2018</u>
Northridge Estates Water Improvement Project	\$ 47,300	\$ 46,459

6. OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the City is required to allow retirees to participate in its group health insurance plan. While each retiree is required to pay the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and their eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid entirely by the insured and there is no cost to the City under this program

7. INTERFUND TRANSFERS

A summary of interfund transfers by individual fund for 2018 is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 65,000	\$436,150
Capital Improvement Reserve	306,150	—
Capital Equipment Reserve	70,000	—
Capital Equipment Fire Reserve	60,000	—
Water	—	75,000
Water Maintenance Reserve	40,000	—
Sewer	—	65,000
Sewer Maintenance Reserve	40,000	—
Gas	—	25,000
Gas Maintenance Reserve	<u>20,000</u>	<u>—</u>
	<u>\$601,150</u>	<u>\$601,150</u>

8. COMMITMENTS AND CONTINGENCIES

Gas Supply

The City has entered into a contract for the exclusive purchase of gas to ensure the supply of gas available to the City's utility customers. The contract provides that the supplier shall sell and deliver the City's total requirements for gas required for resale in the City's distribution system. Such gas supplies are subject to the vendor's curtailment plan, which is on file with the Kansas Corporation Commission, and other events not within the control of the party to the contract claiming suspension.

9. COMPLIANCE WITH KANSAS STATUTES

Management is not aware of any statutory violations occurring in the year ended December 31, 2018.

10. RECLASSIFICATIONS AND COMPARATIVE DATA

The amounts shown for 2017 in the accompanying financial statement are included, where practicable, only to provide a basis for comparison with 2018 and are not intended to present all information necessary for a fair presentation in accordance with the regulatory basis of presentation. Certain amounts for 2017 have been reclassified to conform to the presentation of similar amounts for 2018.

CITY OF CHENEY, KANSAS

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
(BUDGETED FUNDS ONLY)**

For the year ended December 31, 2018

	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	\$ 2,603,000	\$ -	\$ 2,603,000	\$ 2,437,121	\$ 165,879
Special Purpose Funds:					
Library	68,208	-	68,208	68,208	-
Bond and Interest Funds:					
Bond and Interest	195,000	-	195,000	173,592	21,408
Business Funds:					
Water Utility	435,750	-	435,750	348,959	86,791
Sewer Utility	464,700	-	464,700	376,267	88,433
Gas Utility	1,187,550	-	1,187,550	586,465	601,085
Storm Water Utility	50,000	-	50,000	-	50,000

CITY OF CHENEY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
 (continued on next page)

	Year ended December 31,			Variance Over (Under)
	2017 Actual	2018 Actual	Budget	
Cash receipts:				
Taxes	\$ 818,377	\$ 854,067	\$ 843,641	\$ 10,426
Intergovernmental	447,812	466,685	360,193	106,492
Licenses, fees and permits	198,801	193,825	184,000	9,825
Charges for services	676,947	685,277	676,800	8,477
Fines and forfeitures	25,448	23,007	20,000	3,007
Use of money and property	17,580	19,161	6,500	12,661
Miscellaneous	49,631	68,807	–	68,807
Transfers in	85,000	65,000	65,000	–
Total cash receipts	<u>2,319,596</u>	<u>2,375,829</u>	<u>\$ 2,156,134</u>	<u>\$ 219,695</u>
Expenditures:				
General government:				
Administration:				
Personal services	163,414	135,647	\$ 171,250	\$ 35,603
Contractual services	66,245	48,945	77,400	28,455
Commodities	4,175	3,938	6,500	2,562
Capital outlay	9,665	1,728	8,500	6,772
Transfer out	85,000	326,150	101,000	(225,150)
Total general government	<u>328,499</u>	<u>516,408</u>	<u>364,650</u>	<u>(151,758)</u>
Public safety:				
Police department:				
Personal services	372,510	379,914	412,100	32,186
Contractual services	27,919	29,045	33,300	4,255
Commodities	18,218	19,965	24,600	4,635
Capital outlay	41,429	37,236	40,000	2,764
Total police department	<u>460,076</u>	<u>466,160</u>	<u>510,000</u>	<u>43,840</u>
Municipal court department:				
Personal services	14,298	15,228	16,500	1,272
Contractual services	15,021	15,394	21,900	6,506
Commodities	405	309	2,200	1,891
Total municipal court department	<u>29,724</u>	<u>30,931</u>	<u>40,600</u>	<u>9,669</u>

CITY OF CHENEY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

REGULATORY BASIS

(continued from previous page)

	Year ended December 31,			
	2018			Variance
2017	Actual	Budget		Over
Actual	Actual	Budget		(Under)
Fire department:				
Personal services	\$ 25,144	\$ 22,913	\$ 36,300	\$ 13,387
Contractual services	26,979	32,332	47,000	14,668
Commodities	8,234	8,085	16,300	8,215
Capital outlay	42,298	15,761	30,000	14,239
Transfer out	30,000	60,000	40,000	(20,000)
Total fire department	132,655	139,091	169,600	30,509
Total public safety	622,455	636,182	720,200	84,018
Highways and streets:				
Street department:				
Personal service	89,529	91,765	103,050	11,285
Contractual services	26,730	18,273	23,000	4,727
Commodities	49,895	55,091	83,200	28,109
Capital outlay	232,519	127,191	230,000	102,809
Transfer out	50,000	50,000	5,000	(45,000)
	448,673	342,320	444,250	101,930
Street light department:				
Contractual services	35,459	35,822	36,000	178
Total highways and streets	484,132	378,142	480,250	102,108
Economic development:				
Industrial Development department:				
Contractual services	–	–	2,500	2,500
Commodities	1,244	1,728	2,500	772
Total economic development	1,244	1,728	5,000	3,272
Culture and recreation:				
Parks and Pool department:				
Personal services	31,908	31,236	41,200	9,964
Contractual services	24,202	31,634	36,750	5,116
Commodities	8,217	10,270	9,200	(1,070)
Capital outlay	57,087	21,359	80,000	58,641
Debt service	25,149	25,149	–	(25,149)
Total parks and pool department	146,563	119,648	167,150	47,502

CITY OF CHENEY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

(continued from previous page)

	Year ended December 31,			
	2018			Variance
	2017			Over
	Actual	Actual	Budget	(Under)
Golf Course department:				
Personal services	\$ 287,105	\$ 281,348	\$ 316,000	\$ 34,652
Contractual services	113,351	125,668	126,850	1,182
Commodities	132,377	148,914	159,900	10,986
Capital outlay	34,565	2,261	7,200	4,939
Debt service	38,730	38,730	38,750	20
Transfers out	53,613	57,613	57,650	37
Total Golf Course department	659,741	654,534	706,350	51,816
Senior Citizens department:				
Commodities	—	65	—	(65)
Contractual services	5,069	13,014	13,000	(14)
Total Senior Citizens department	5,069	13,079	13,000	(79)
Total culture and recreation	811,373	787,261	886,500	99,239
Sanitation department:				
Contractual services	114,563	117,400	136,400	19,000
Tort Liability Department				
Contractual Services	—	—	10,000	10,000
Total expenditures, encumbrances and other uses	2,362,266	2,437,121	\$ 2,603,000	\$ 385,574
Expenditures over cash receipts	(42,670)	(61,292)		
Unencumbered cash balance, beginning of year	828,074	835,404	\$ 446,866	\$ 388,538
Unencumbered cash balance, end of year	\$ 835,404	\$ 774,112		

CITY OF CHENEY, KANSAS

LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			Variance Over (Under)
	2017 Actual	Actual	Budget	
Cash receipts:				
Taxes	\$ 64,725	\$ 68,766	\$ 68,168	\$ 598
Expenditures:				
Library Board appropriations	64,725	68,208	\$ 68,208	\$ –
Cash receipts over expenditures	–	558		
Unencumbered cash balance, beginning of year	868	868	\$ 40	\$ 598
Unencumbered cash balance, end of year	\$ 868	\$ 1,426		

CITY OF CHENEY, KANSAS

GIFTS AND MEMORIALS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	<u>2018</u>	<u>2017</u>
Cash receipts:		
Donations	\$ 19,733	\$ 13,385
Expenditures:		
Capital outlay	<u>11,477</u>	<u>6,933</u>
Cash receipts over expenditures	8,256	6,452
Unencumbered cash balance, beginning of year	<u>13,067</u>	<u>6,615</u>
Unencumbered cash balance, end of year	<u><u>\$ 21,323</u></u>	<u><u>\$ 13,067</u></u>

CITY OF CHENEY, KANSAS

DIGITAL SIGN FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	<u>2018</u>	<u>2017</u>
Cash receipts:		
Other Income	\$ 380	\$ 820
Expenditures:		
Contractual Services	<u>87</u>	<u>713</u>
Cash receipts over expenditures	293	107
Unencumbered cash balance, beginning of year	<u>2,755</u>	<u>2,648</u>
Unencumbered cash balance, end of year	<u><u>\$ 3,048</u></u>	<u><u>\$ 2,755</u></u>

CITY OF CHENEY, KANSAS

DARE PROGRAM FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	<u>2018</u>	<u>2017</u>
Cash receipts:		
Other Income	\$ 3,047	\$ 4,009
Expenditures:		
Commodities	<u>3,834</u>	<u>2,840</u>
Cash receipts over (under) expenditures	(787)	1,169
Unencumbered cash balance, beginning of year	<u>2,668</u>	<u>1,499</u>
Unencumbered cash balance, end of year	<u><u>\$ 1,881</u></u>	<u><u>\$ 2,668</u></u>

CITY OF CHENEY, KANSAS

JOINT FIRE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2018	2017
Cash receipts:		
Donations	\$ 20,927	\$ 68,868
Expenditures:		
Capital outlay	<u>22,189</u>	<u>9,102</u>
Cash receipts over (under) expenditures	(1,262)	59,766
Unencumbered cash balance, beginning of year	<u>59,766</u>	<u>-</u>
Unencumbered cash balance, end of year	<u><u>\$ 58,504</u></u>	<u><u>\$ 59,766</u></u>

CITY OF CHENEY, KANSAS

LWCF GRANT

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	<u>2018</u>	<u>2017</u>
Cash receipts:		
Other Income	\$ 33,529	\$ —
Expenditures:		
Capital Outlay	<u>30,404</u>	<u>19,490</u>
Cash receipts over (under) expenditures	3,125	(19,490)
Unencumbered cash balance, beginning of year	<u>(19,490)</u>	<u>—</u>
Unencumbered cash balance, end of year	<u>\$ (16,365) *</u>	<u>\$ (19,490) *</u>

* Per K.S.A. 12-1664, the limits of indebtedness may be exceeded by up to 100% of the accrued revenue for intergovernmental grants.

CITY OF CHENEY, KANSAS

WASTE TIRE PLAYGROUND GRANT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2018	2017
Cash receipts:		
Grants	\$ —	\$ 474
Expenditures:		
Capital Outlay	—	474
Cash receipts over expenditures	—	—
Unencumbered cash balance, beginning of year	—	—
Unencumbered cash balance, end of year	\$ —	\$ —

CITY OF CHENEY, KANSAS

CDBG ALBERS DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2018	2017
Cash receipts:		
Other Income	\$ 4,250	\$ —
Expenditures:		
Contractual Services	<u>4,250</u>	<u>—</u>
Cash receipts over expenditures	—	—
Unencumbered cash balance, beginning of year	<u>—</u>	<u>—</u>
Unencumbered cash balance, end of year	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

CITY OF CHENEY, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			Variance Over (Under)
	2017 Actual	Actual	Budget	
Revenues:				
Taxes	\$ 34	\$ 8	\$ –	\$ 8
Special assessments	186,659	190,035	202,520	(12,485)
Use of money and property	1,409	1,411	1,000	411
Total cash receipts	<u>188,102</u>	<u>191,454</u>	<u>203,520</u>	<u>(12,066)</u>
Expenditures:				
Principal	144,136	149,136	170,000	20,864
Interest and fiscal charges	27,486	24,456	25,000	(544)
Total expenditures	<u>171,622</u>	<u>173,592</u>	<u>195,000</u>	<u>20,320</u>
Cash receipts over expenditures	16,480	17,862		
Unencumbered cash balance, beginning of year	<u>75,244</u>	<u>91,724</u>	<u>\$ 80,244</u>	<u>\$ 11,480</u>
Unencumbered cash balance, end of year	<u>\$ 91,724</u>	<u>\$ 109,586</u>	<u>\$ 88,764</u>	<u>\$ 20,822</u>

CITY OF CHENEY, KANSAS

NORTHRIDGE ESTATES WATER IMPROVEMENT PROJECT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2018	2017
Cash receipts:		
Taxes	\$ 1,582	\$ 1,582
Expenditures:		
Capital outlay	<u>—</u>	<u>—</u>
Cash receipts over expenditures	1,582	1,582
Unencumbered cash balance (deficit), beginning of year	<u>(8,338) *</u>	<u>(9,920)</u>
Unencumbered cash balance (deficit), end of year	<u><u>\$ (6,756)</u></u>	<u><u>\$ (8,338)</u></u>

*-Per K.S.A. 10-1116, the limits of indebtedness may be exceeded when provision has made for payment by the issuance of bonds or temporary notes.

CITY OF CHENEY, KANSAS

CAPITAL IMPROVEMENT RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES

REGULATORY BASIS

	Year ended December 31,	
	2018	2017
Cash receipts:		
Interest	\$ 1,285	\$ 914
Transfers in	306,150	35,000
Total cash receipts	307,435	35,914
Expenditures:		
Capital outlay	37,091	—
Cash receipts over expenditures	270,344	35,914
Unencumbered cash balance, beginning of year	170,794	134,880
Unencumbered cash balance, end of year	<u>\$ 441,138</u>	<u>\$ 170,794</u>

CITY OF CHENEY, KANSAS

CAPITAL EQUIPMENT RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2018	2017
Cash receipts:		
Interest	461	499
Transfers in	70,000	50,000
Total cash receipts	70,461	50,499
Expenditures:		
Capital outlay	-	81,171
Cash receipts over (under) expenditures	70,461	(30,672)
Unencumbered cash balance, beginning of year	73,948	104,620
Unencumbered cash balance, end of year	144,409	73,948

CITY OF CHENEY, KANSAS

CAPITAL EQUIPMENT POLICE RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2018	2017
Cash receipts:		
Miscellaneous	\$ 6,038	\$ 5,382
Expenditures:		
Capital outlay	<u>7,567</u>	<u>2,820</u>
Cash receipts over expenditures	(1,529)	2,562
Unencumbered cash balance, beginning of year	<u>6,459</u>	<u>3,897</u>
Unencumbered cash balance, end of year	<u><u>\$ 4,930</u></u>	<u><u>\$ 6,459</u></u>

CITY OF CHENEY, KANSAS

CAPITAL EQUIPMENT FIRE RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2018	2017
Cash receipts		
Interest	\$ 613	\$ 840
Donations	-	4,704
Transfer in	60,000	30,000
	<u>60,613</u>	<u>35,544</u>
Total cash receipts	60,613	35,544
Expenditures:		
Capital outlay	<u>99,626</u>	<u>3,082</u>
Cash receipts over expenditures	(39,013)	32,462
Unencumbered cash balance, beginning of year	<u>146,259</u>	<u>113,797</u>
Unencumbered cash balance, end of year	<u>\$ 107,246</u>	<u>\$ 146,259</u>

CITY OF CHENEY, KANSAS

WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			Variance Over (Under)
	2017 Actual	Actual	Budget	
Cash receipts:				
Sales of services	\$ 362,852	\$ 372,005	\$ 534,860	\$ (162,855)
Interest earnings	2,490	2,614	2,700	(86)
Miscellaneous	15,289	11,614	2,000	9,614
Total cash receipts	<u>380,631</u>	<u>386,233</u>	<u>\$ 539,560</u>	<u>\$ (153,327)</u>
Expenditures:				
Personal services	133,697	135,489	\$ 158,300	\$ 22,811
Contractual services	74,129	67,138	85,600	18,462
Commodities	12,513	14,105	19,100	4,995
Capital outlay	41,794	4,515	45,000	40,485
Debt service	63,182	62,712	62,750	38
Transfers out	75,000	65,000	65,000	–
Total expenditures	<u>400,315</u>	<u>348,959</u>	<u>\$ 435,750</u>	<u>\$ 86,791</u>
Cash receipts over (under) expenditures	(19,684)	37,274		
Unencumbered cash balance, beginning of year	<u>325,040</u>	<u>305,356</u>	<u>\$ 402,044</u>	<u>\$ (96,688)</u>
Unencumbered cash balance, end of year	<u>\$ 305,356</u>	<u>\$ 342,630</u>	<u>\$ 505,854</u>	<u>\$ (163,224)</u>

CITY OF CHENEY, KANSAS

SEWER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			
	2018			Variance
	2017			Over
	Actual	Actual	Budget	(Under)
Cash receipts:				
Sales of services	\$ 337,829	\$ 359,546	\$ 478,000	\$ (118,454)
Interest earnings	2,868	2,796	2,900	(104)
Miscellaneous	3,495	3,495	10,495	(7,000)
Total cash receipts	<u>344,192</u>	<u>365,837</u>	<u>\$ 491,395</u>	<u>\$ (125,558)</u>
Expenditures:				
Personal services	158,095	160,417	\$ 188,700	\$ 28,283
Contractual services	25,332	27,553	43,000	15,447
Commodities	7,140	8,409	10,800	2,391
Capital outlay	20,754	5,642	50,000	44,358
Debt service	107,056	109,246	107,200	(2,046)
Transfers out	65,000	65,000	65,000	–
Total expenditures	<u>383,377</u>	<u>376,267</u>	<u>\$ 464,700</u>	<u>\$ 88,433</u>
Expenditures over cash receipts	(39,185)	(10,430)		
Unencumbered cash balance, beginning of year	<u>377,754</u>	<u>338,569</u>	<u>\$ 396,879</u>	<u>\$ (58,310)</u>
Unencumbered cash balance, end of year	<u>\$ 338,569</u>	<u>\$ 328,139</u>	<u>\$ 423,574</u>	<u>\$ (95,435)</u>

CITY OF CHENEY, KANSAS

GAS UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			
		2018		Variance
	2017			Over
	Actual	Actual	Budget	(Under)
Cash receipts:				
Sales of services	\$ 503,523	\$ 566,388	\$ 1,020,105	\$ (453,717)
Interest earnings	1,421	1,569	2,000	(431)
Other	8,868	19,553	20,000	(447)
Total cash receipts	513,812	587,510	\$ 1,042,105	\$ (454,595)
Expenditures:				
Personal services	181,892	180,340	\$ 212,050	\$ 31,710
Contractual services	63,376	59,046	67,300	8,254
Commodities	236,941	302,199	818,200	516,001
Capital outlay	19,357	9,880	40,000	30,120
Transfers out	25,000	35,000	50,000	15,000
Total expenditures	526,566	586,465	\$ 1,187,550	\$ 601,085
Cash receipts over (under)				
expenditures	(12,754)	1,045		
Unencumbered cash balance,				
beginning of year	118,584	105,830	\$ 179,784	\$ (73,954)
Unencumbered cash balance,				
end of year	\$ 105,830	\$ 106,875	\$ 34,339	\$ 72,536

CITY OF CHENEY, KANSAS

STORM WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

	Year ended December 31,			
	2018			Variance
	2017			Over
	Actual	Actual	Budget	(Under)
Cash receipts:				
Sales of services	\$ —	\$ —	\$ 50,000	\$ (50,000)
Expenditures:				
Personal services	—	—	\$ 25,000	\$ 25,000
Contractual services	—	—	—	—
Capital outlay	—	—	25,000	25,000
Total expenditures	—	—	\$ 50,000	\$ 50,000
Cash receipts over expenditures	—	—		
Unencumbered cash balance, beginning of year	—	—	\$ —	\$ —
Unencumbered cash balance, end of year	\$ —	\$ —	\$ —	\$ —

CITY OF CHENEY, KANSAS

WATER MAINTENANCE RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES

REGULATORY BASIS

	Year ended December 31,	
	2018	2017
Cash receipts:		
Interest	\$ 1,417	\$ 1,033
Transfers in	40,000	40,000
Total cash receipts	41,417	41,033
Expenditures:		
Contractual Services	25,761	
Capital Outlays	78,563	—
Total Expenditures	104,324	—
Cash receipts over (under) expenditures	(62,907)	41,033
Unencumbered cash balance, beginning of year	185,119	144,086
Unencumbered cash balance, end of year	\$ 122,212	\$ 185,119

CITY OF CHENEY, KANSAS

SEWER MAINTENANCE RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2018	2017
Cash receipts:		
Interest	\$ 1,548	\$ 1,155
Transfers In	40,000	40,000
Total cash receipts	41,548	41,155
Expenditures:		
Contractual Services	25,761	
Capital Outlay	47,943	—
Total Expenditures	73,704	—
Cash receipts over (under) expenditures	(32,156)	41,155
Unencumbered cash balance, beginning of year	202,215	161,060
Unencumbered cash balance, end of year	\$ 170,059	\$ 202,215

CITY OF CHENEY, KANSAS

GAS MAINTENANCE RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2018	2017
Cash receipts:		
Interest	\$ 2,230	\$ 2,074
Transfers In	20,000	-
Total cash receipts	22,230	2,074
Expenditures:		
Capital outlays	116,788	- -
Cash receipts over (under) expenditures	(94,558)	2,074
Unencumbered cash balance, beginning of year	291,373	289,299
Unencumbered cash balance, end of year	\$ 196,815	\$ 291,373

CITY OF CHENEY, KANSAS

CHENEY PUBLIC LIBRARY

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31	
	2018	2017
Cash receipts:		
Taxes – transfer from City of Cheney	\$ 68,208	\$ 64,725
Grants and donations	23,681	20,844
Fines	2,064	2,172
Interest earnings	249	201
Miscellaneous	2,181	2,290
Total cash receipts	96,383	90,232
Expenditures:		
Personal services	42,398	44,406
Contractual services	15,943	14,973
Commodities	11,658	9,823
Capital outlay	4,584	1,026
Debt service to City of Cheney	11,561	11,561
Total expenditures	86,144	81,789
Cash receipts over expenditures	10,239	8,443
Unencumbered cash balance, beginning of year	78,305	69,862
Unencumbered cash balance, end of year	\$ 88,544	\$ 78,305

CITY OF CHENEY, KANSAS

CHENEY PUBLIC BUILDING COMMISSION

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

	Year ended December 31,	
	2018	2017
Cash receipts:		
Transfers In	\$ 57,613	\$ 53,613
Expenditures:		
Debt service	57,613	53,613
Cash receipts over expenditures	—	—
Unencumbered cash balance, beginning of year	—	—
Unencumbered cash balance, end of year	\$ —	\$ —

CITY OF CHENEY, KANSAS

SCHEDULE OF RECEIPTS AND DISBURSEMENTS – ALL AGENCY FUNDS
REGULATORY BASIS

Year ended December 31, 2018

	Beginning Cash Balance January 1, 2018	Cash Receipts	Cash Disbursements	Ending Cash Balance December 31, 2019
Payroll Clearing Fund	\$ 587	\$ 515,598	\$ 515,768	\$ 417
Agency Fund	2,684	10,644	12,114	1,214
Meter Deposit Fund	44,553	19,325	26,641	37,237
Total	<u>\$ 47,824</u>	<u>\$ 545,567</u>	<u>\$ 554,523</u>	<u>\$ 38,868</u>